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MARK J. PRAK
WELLS FARGO CAPITOL CENTER
150 FAYETTEVILLE STREET, SUITE 1700
RALEIGH, NC 27601

T 919-839-0108
F 919-839-0304
MPRAK@BROOKSPIERCE.COM

July 12, 2017

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: MB Docket No. 09-182
MB Docket No. 14-50

Dear Ms. Dortch:

On July 11, 2017 the undersigned, along with David Bradley and Brian Bradley of News-Press & Gazette Company, Ralph Oakley of Quincy Media, Inc., Charles Morris and Charles Hill Morris, Jr. of Morris Multimedia and DuJuan McCoy of Bayou City Broadcasting and Charles Marshall of Brooks Pierce ("Independent Broadcasters") met with Allison Nemeth of Chairman Pai's office; Commissioner Mignon Clyburn, J. David Grossman and Alisa Valentin; Commissioner Mike O'Reilly and Erin McGrath and discussed their view that sound public policy requires the elimination of TV Duopoly Rule (at least in smaller markets, DMAs 85-210).

In addition, the Independent Broadcasters observed that the newspaper/broadcast cross-ownership rule and the television/radio cross-ownership rules have long outlived their usefulness.

They noted that the continued existence of the newspaper/broadcast prohibition has actually been affirmatively harming local journalism for many years now.

The Independent Broadcasters asserted that the fundamental economics of journalism require revenue adequate to support the provision of a quality news product. They opined that owners of local journalistic enterprises must have the freedom to combine whatever assets they choose in order to compete for sufficient advertising and subscription revenues to provide a quality product or the local news ecosystem will be damaged beyond repair with a consequent harm to democracy and the citizenry. The Independent Broadcasters operate television stations, radio stations, daily and weekly newspapers and websites. Some have been in the business of local journalism for five generations. Others aspire to develop such a family business. All expressed their opinion that the harm to local journalism being done by the existence of anachronistic FCC regulations (premised on a media marketplace of some 40 years ago) has reached a critically dangerous point. They note that in most markets Google and Facebook take a combined share of 70% of the advertising dollars available locally. The continued maintenance of a siloed regulatory regime is, in their view, ill advised. Swift action by the Commission to eliminate the local ownership restrictions was urged.

Attached is a sheet summarizing arguments advanced by the Independent Broadcasters.

If any questions should arise during the course of your consideration of this matter, kindly communicate with the undersigned.

Very truly yours,

BROOKS PIERCE McLENDON HUMPHREY & LEONARD, LLP

Mark J. Prak

Counsel to Independent Broadcasters

cc: Alison Nemeth
Commissioner Mignon Clyburn
J. David Grossman
Alison Valentin
Commissioner Mike O'Reilly
Erin McGrath

The FCC Should Eliminate Outdated Restrictions on the Ownership of Television Stations in Local Markets, Especially in Small to Medium Sized Markets

Here's why:

1. Localism is the genius of the American broadcast system. The FCC is charged by law with ensuring that local communities are provided with highly valued news, weather, and other valued information via broadcast television. The FCC has no such charge with respect to other forms of video distribution. 47 U.S.C. Section 307 (b).

2. The FCC is obligated to evaluate its ownership rules periodically to ensure that they remain necessary in light of ever increasing competition and economic realities. TA 96, Section 202(h). In the past eight years, the Commission has shirked this responsibility to the detriment of viewers and the local news ecosystem.

3. The existing local ownership rules are, in fact, inhibiting the ability of local television broadcasters to meet the needs of viewers and advertisers in local markets throughout the country, and particularly so in small to medium sized markets. The existence of virtual duopolies, using LPTVs, LMAs, JSAs, SSAs and the like, are testimony to the economic fact that the provision of local news and information is expensive and that economies of scale and scope are economic necessities for the provision of such service in smaller markets. In economic terms, the existing rules are causing small market operators to seek economies of scale in order to "breathe" and operate profitably while delivering a higher quality of service to their viewers.

4. Past Commissions have given smaller markets short shrift. The eight (8) voice test in the current duopoly rule has the effect of making the operation of more than one television station, unlawful, by definition, in Markets 100-210 since there are fewer than four (4) stations in most of those markets. Whatever its initial logic, this rule is arbitrary and irrational in 2017.

5. It is long past time for the FCC to eliminate its anachronistic local ownership rules. The Commission should ignore those advocating for retaining such restrictions and eliminate (1) the television duopoly rule; (2) the newspaper/broadcast cross-ownership rule; and (3) the television/radio cross-ownership rule. TA 96 Section 202(h). The cost inputs of running a television station in a small market are virtually the same as those in a large market (e.g. a tower, transmitter or a news truck costs the same). The revenue pool is much smaller in smaller markets. Stations must be able to operate more than one full power station to succeed economically and offer top flight news, weather and local journalism.

6. In order to provide flexibility to serve the needs of residents in small and medium markets, local television broadcasters should be able to innovate by combining newsroom assets and distributing local news over multiple platforms (television, radio, print, internet, and the like) in whatever fashion their judgment leads them to do. Such combinations should be encouraged.

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